

Department of Justice

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DEPARTMENT OF JUSTICE WILL NOT CHALLENGE MEDIA INDUSTRY ASSOCIATION'S PROPOSAL REGARDING AUDIT PROVISION FOR AUDIENCE MEASUREMENT TOOLS

WASHINGTON – The Department of Justice announced today it will not challenge a proposal by the Media Ratings Council (MRC) relating to the auditing and accrediting of products that measure the size and demographics of an audience. The Department said that the proposed change is not likely to harm competition, and that a voluntary, precommercialization audit and accreditation of audience measurement products (AMPs) has the potential to benefit users by providing assurances that the products are valid, reliable and effective. MRC's proposal affects only those AMPs, known as Currency AMPs, that are widely used and relied upon to determine the financial value of advertising.

The Department's position was stated in a business review letter from Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division, to counsel for MRC. MRC is a non-profit industry association with a diverse membership consisting of buyers and sellers of advertising, including television and radio broadcasters, cable-casters, print organizations, Internet organizations, advertising agencies and industry trade associations. As users of AMPs, MRC's members have a common interest in the accuracy and reliability of these products. MRC has evaluated and accredited AMPs since 1964, using independent auditors to assess products' methodology and the data supporting the methodology (impact data).

MRC requested a business review letter from the Antitrust Division expressing its enforcement intentions with respect to a proposed change to its current audit and accreditation process. MRC seeks to make explicit its preference that rating services seeking to replace one of their Currency AMPs obtain accreditation of the new product, and at a minimum submit impact data and undergo an independent audit, prior to commercialization. MRC proposes to include this kind of language in its draft Voluntary Code of Conduct, which outlines its practices and procedures used since 1964 for auditing and accrediting AMPs. MRC represented to the Department that a rating service's participation in MRC's audit and accreditation process, today and as modified by its proposal, is voluntary and may be undertaken by a rating service at any time.

"Auditing and accrediting activities by associations of customers do not necessarily raise antitrust issues," Barnett said in the letter. "In fact, with appropriate safeguards, auditing and accrediting activities can provide valuable, unbiased information to the marketplace."

The Department stated that in this instance such activities can reduce the confusion and uncertainty among buyers and sellers of advertising that can occur when a Currency AMP is replaced by an unknown and untested one.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, U.S. Department of Justice, Suite 215, Liberty Place, 325 7th Street NW, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established under the Business Review Procedure.

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